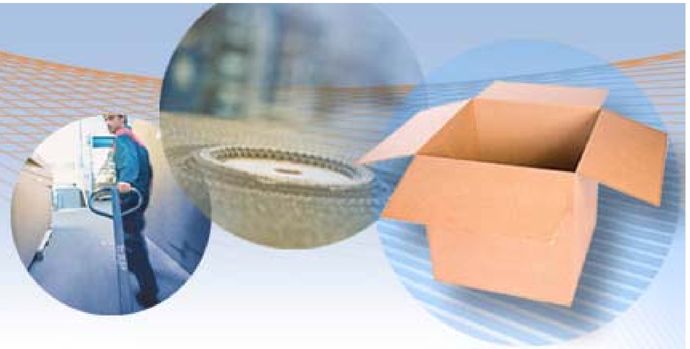
2007 Full Year Results

February, 2008

Smurfit Kappa Group

Presentation Agenda



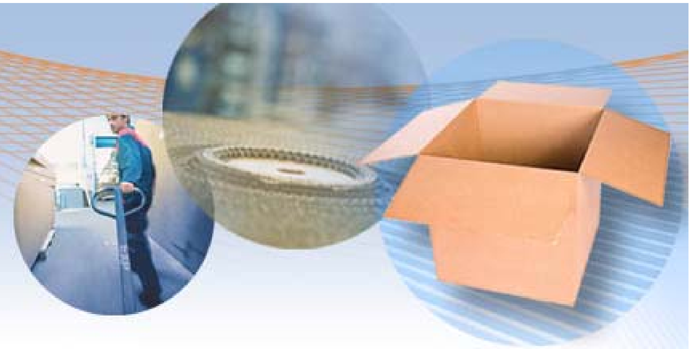
- Financial Performance Highlights
- Operating and Market Review
- Financial Review
- Outlook
- Q&A

2007 Full Year Results

Financial Performance Highlights

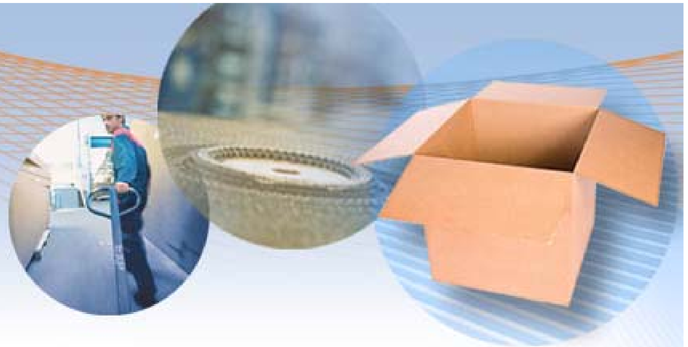
Smurfit Kappa Group

Financial Performance Highlights



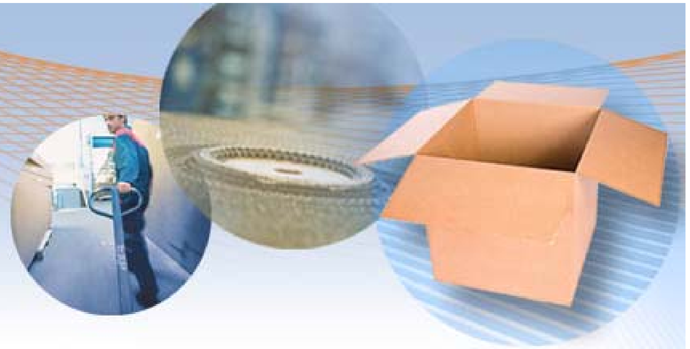
- **20% EBITDA growth**
  Full year EBITDA of €1,064 million
- **Industry leading EBITDA margins**
  Full year EBITDA margin increase to 14.6 per cent
- **Strong Cash Flow generation**
  Full year Free Cash Flow of €186 million
- **30% net debt reduction**
  Net debt to EBITDA of 3.2x – below the bottom end of the IPO range
- **Synergy target exceeded**
  Increased synergy target to €180 million
- **Final dividend proposed of €16cts**

Financial Highlights | 2007 FY



		Amount	Increase Y-on-Y
Revenue	(€m)	7,272	+4%
Pre-Exceptional EBITDA	(€m)	1,064	+20%
EBITDA margin		*14.6%*	*+1.9pts*
Free cash flow	(€m)	186	NM

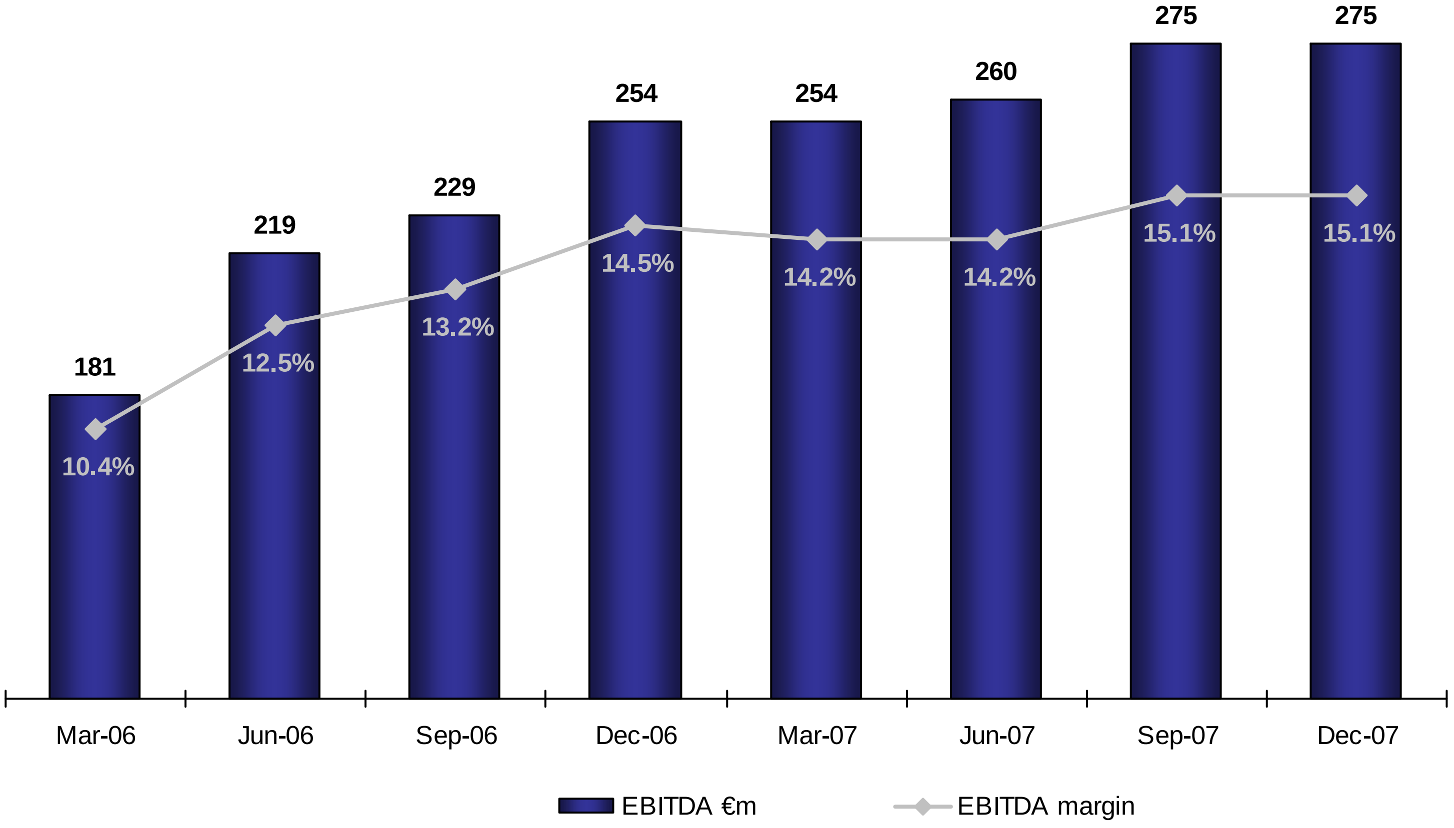
Financial Highlights | 2007 Q4



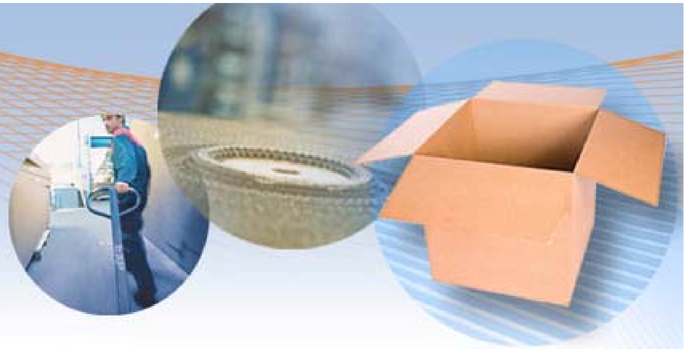
		Amount	Increase Y-on-Y
Revenue	(€m)	1,818	+4%
Pre-Exceptional EBITDA	(€m)	275	+8%
EBITDA margin		*15.1%*	*+0.6pts*
Free cash flow	(€m)	73	NM

SKG | Strong EBITDA growth

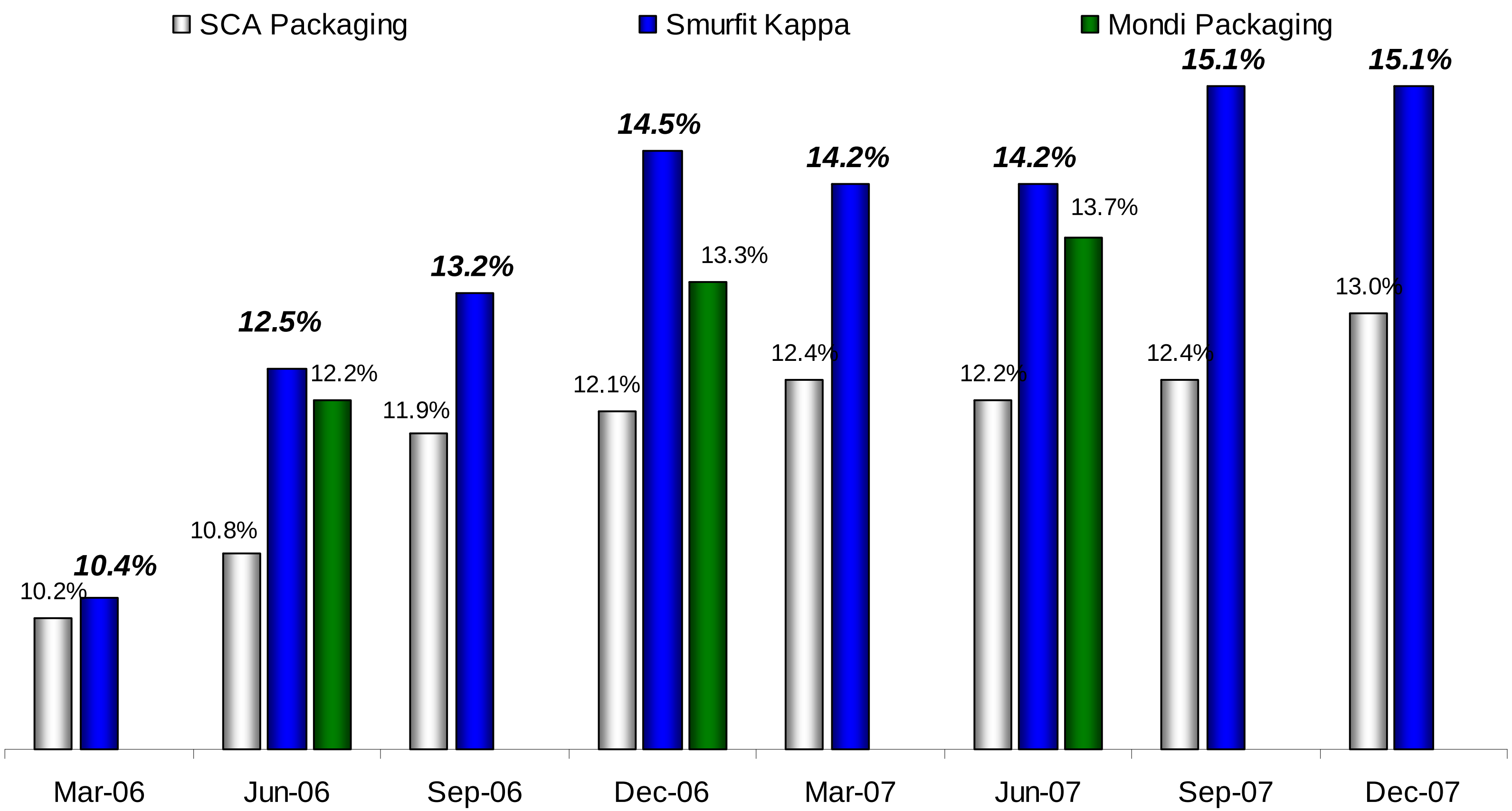
Quarterly EBITDA and Margin Progression (€m)



Industry leading EBITDA Margins



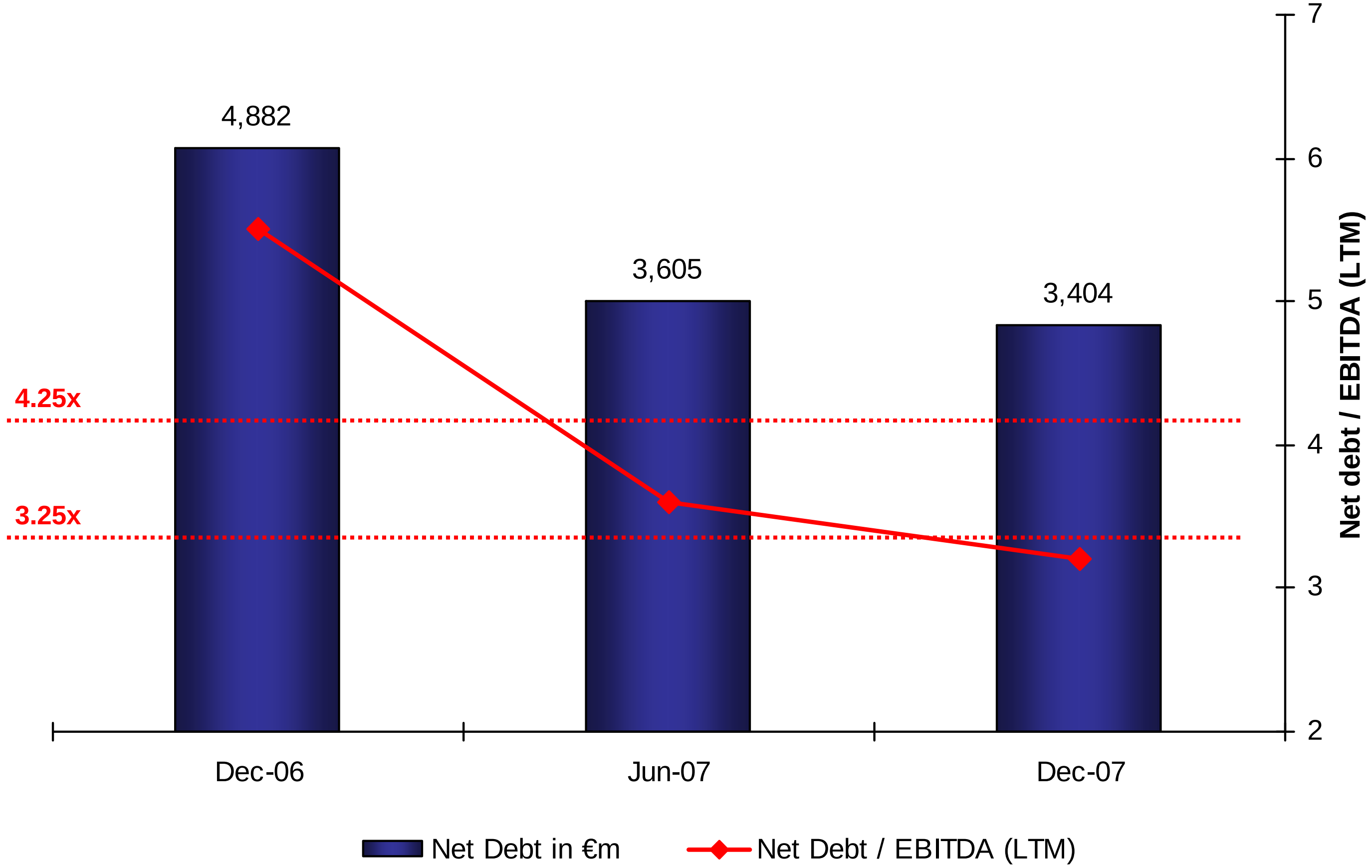
Comparative EBITDA Margins



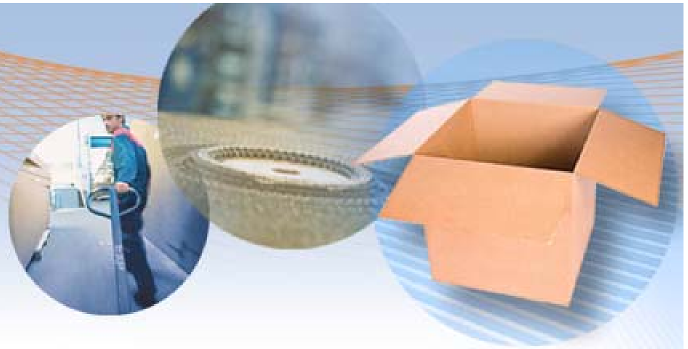
Note: Quarterly data for Smurfit Kappa and SCA; half yearly data for Mondi Group
Source: Smurfit Kappa data, SCA Reports, Mondi Group 2007 H1 Report

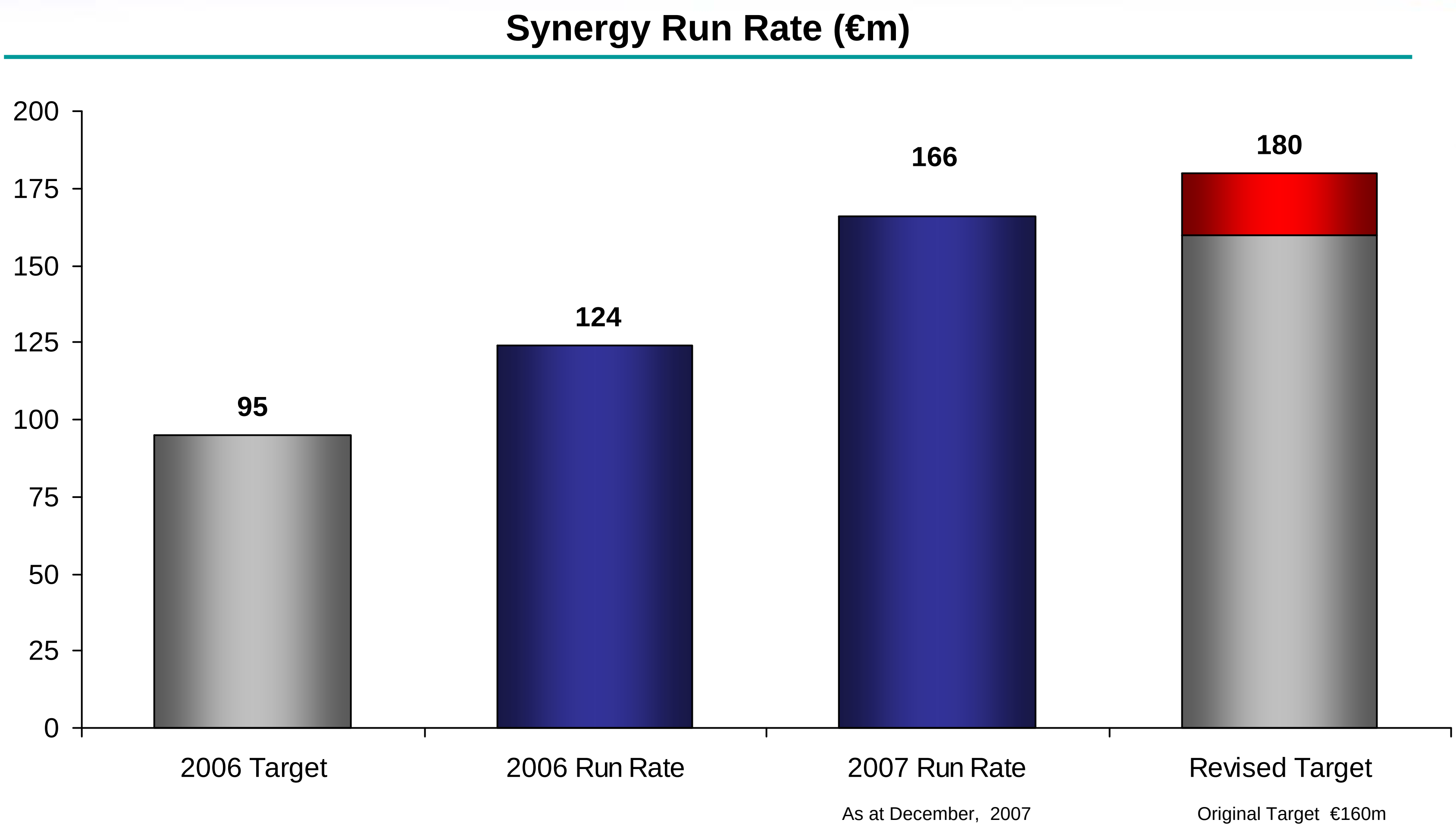
IPO leverage targets exceeded

Significant net debt reduction



IPO synergy targets exceeded



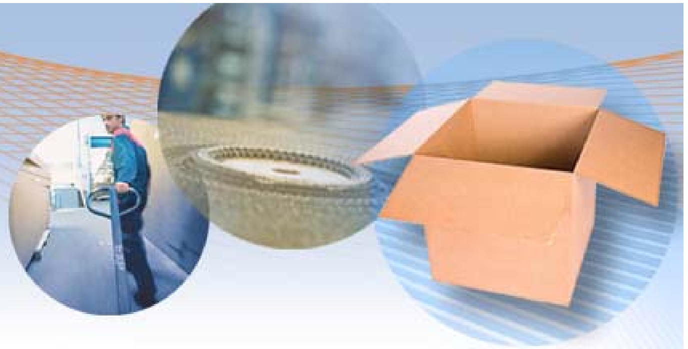


2007 Full Year Results

Operating & Market review

Smurfit Kappa Group

Packaging | European Containerboard



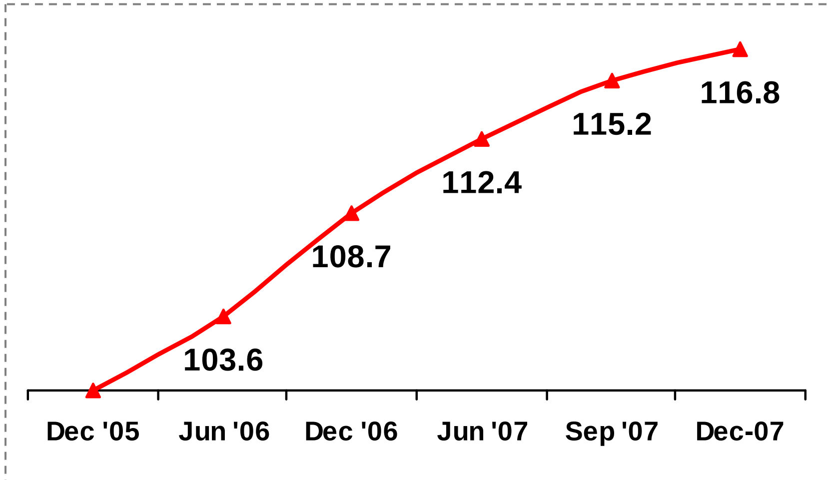
- Strong Recycled Containerboard Momentum
  - Balanced market
  - Price recovery
  - Continuing input cost pressure

- Kraftliner Market - Different Drivers
  - Increased imports
  - Capped pricing in Europe
  - Wood costs increasing

Packaging | European Corrugated

- SKG's Business Driver:
  - Positive demand growth
  - Continued price recovery
  - Short-term margin compression
  - Further price recovery expected in 08

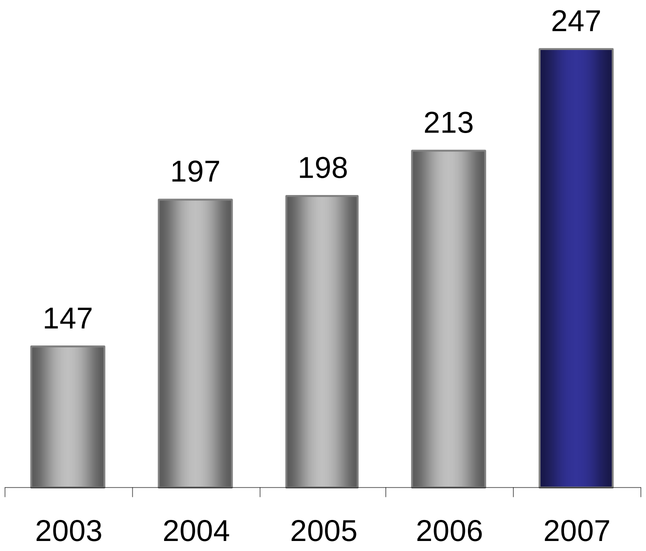
SKG Corrugated Pricing Evolution



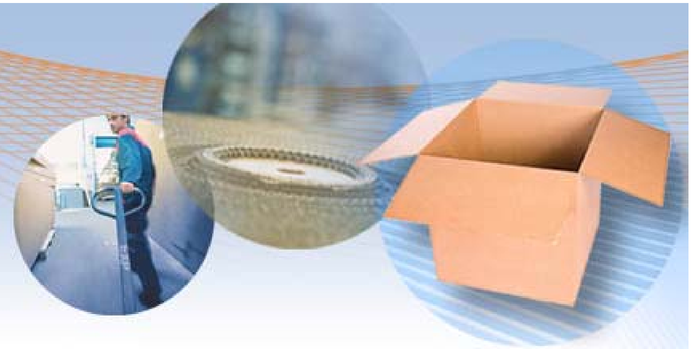
Packaging | Latin America

- Increasing EBITDA contribution
- Strong regional demand growth
- Good pricing momentum in all countries
- Leading market positions
- Portfolio of businesses and markets

Latin American EBITDA (US$m)



Specialties



- Improved divisional performance year-on-year
- Solidboard & boxboard:
  - Recovery of strong input cost increase remains challenging
- Sacks & Sack kraft:
  - Tight market & very good pricing momentum for sack kraft paper
  - Converting more challenging in 07, positive negotiations for 08
- Bag-in-Box:
  - Strong growth & superior profitability
  - Acquisition & greenfield in 07 to support growth

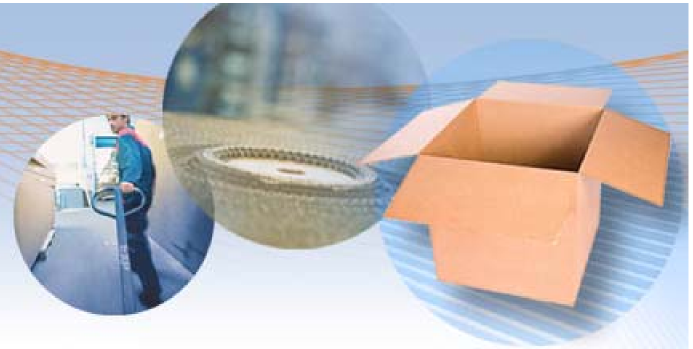
2007 Full Year Results

Financial Highlights

Smurfit Kappa Group

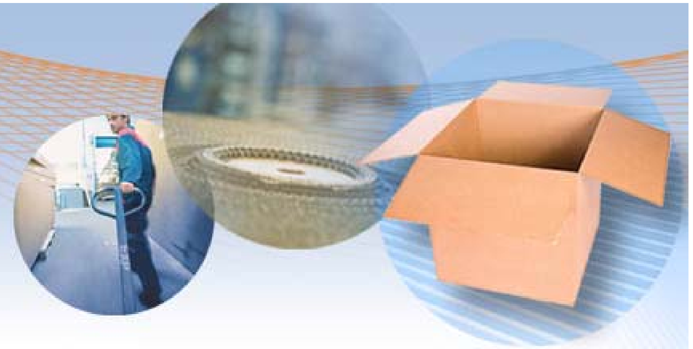
2007 Full Year P&L

Strong Performance



€m		FY 2007	FY 2006	Change
Revenue		7,272	6,970	+4%
Gross Profit *Pre-exceptional*		2,035	1,960	+4%
Pre-exceptional EBITDA		1,064	883	+20%
Operating Profit *Pre-exceptional*		618	480	+29%
Profit before tax *Pre-exceptional*		341	136	+151%
Exceptionals	*Operational*	(56)	(250)	
	Financial	(115)	(30)	

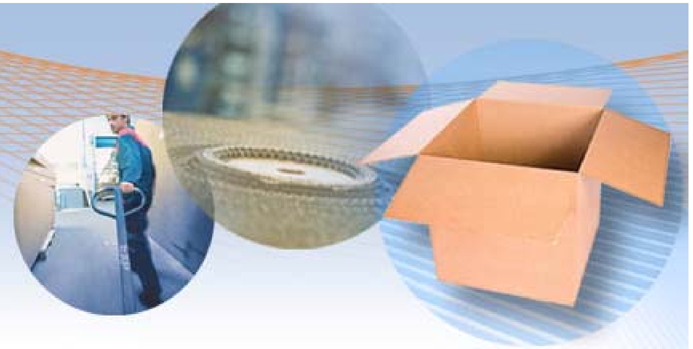
2007 FY | Segmental Analysis
Packaging



€m	FY 2007	FY 2006	Change
Revenue	6,314	5,999	+5%
Operating Profit *Pre-exceptional*	599	465	+29%
Exceptionals	(24)	(200)	N/M
Operating Profit *Post-exceptional*	575	265	+117%

2007 FY | Segmental Analysis

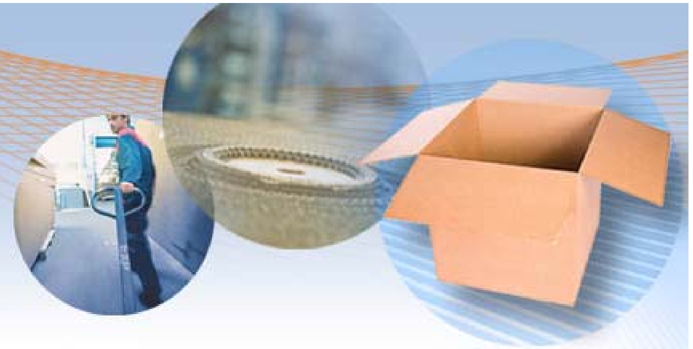
Specialties



€m	FY 2007	FY 2006	Change
Revenue	958	971	(1%)
Operating Profit *Pre-exceptional*	56	49	+14%
Exceptionals	(5)	(49)	N/M
Operating Profit *Post-exceptional*	51	(0)	N/M

Costs

2007 Full Year | Europe



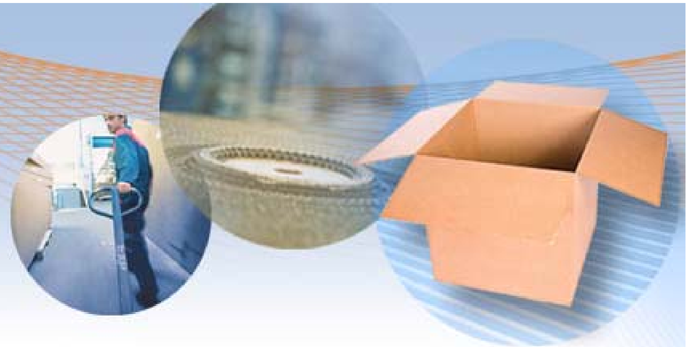
European Headline Cost movements

Recovered Fibre	+8%
Wood	+14%
Other Raw Material	(6%)
Distribution	(2%)
Energy	(1%)
Labour	(2%)
Other	(5%)

European Underlying Cost movements

Recovered Fibre	+24%
Wood	+18%
Other Raw Material	+11%
Distribution	Unch
Energy	+3%
Labour	+1%
Other	+3%

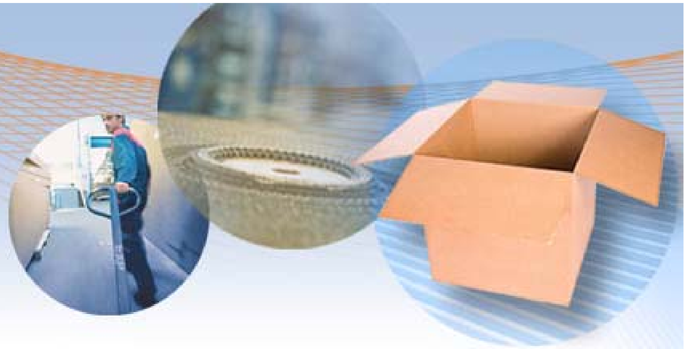
Cashflow
2007 Full Year



€m	FY 2007	FY 2006
Subsidiaries profit/(loss)	157	(149)
Exceptionals	13	134
Impairment of fixed assets	7	31
Depreciation & depletion	360	353
Working capital	(25)	(75)
Capital expenditure	(324)	(345)
Tax paid	(73)	(42)
Other	71	64
Free cash flow	186	(29)

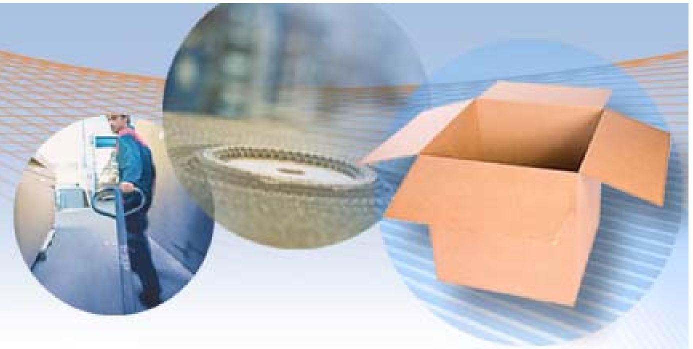
Debt Paydown

Improved balance sheet and dynamic ratios



	€m	Net debt to EBITDA
Net debt at December 31, 2006	(4,882)	5.5x
Free cash flow	186	
IPO proceeds	1,495	
IPO costs	(62)	
Refinancing costs	(84)	
Other	(57)	
Net debt at December 31, 2007	(3,404)	3.2x
EBITDA to net interest	2.6x	

Strengthened Financial Position

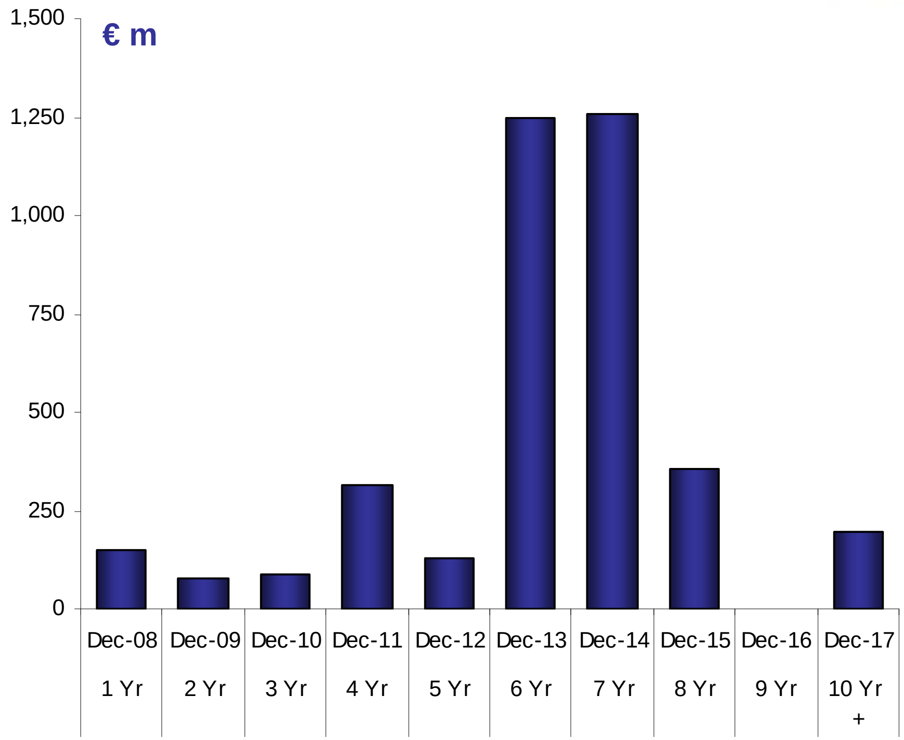


- Well structured debt portfolio
- High cost debt repaid
- Cost of existing debt reduced

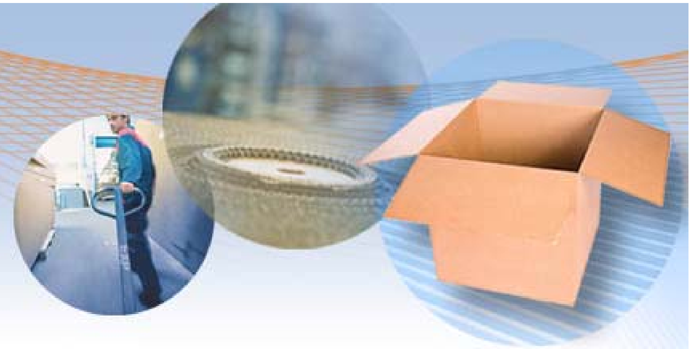
  Average interest cost 6.2%

- No material near term maturities
- Flexible covenant structure

SKG Debt Maturity Profile



2007 Full Year | Summary



- Delivering on all IPO objectives
- Strong performance, EBITDA growth within range of original estimates
- Industry leading EBITDA margins, FCF yield & ROCE
- Leverage & synergy targets exceeded

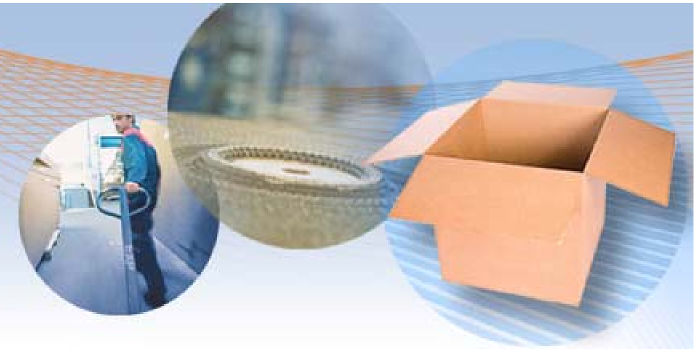
€m	Amount	Increase Y-on-Y
Revenue	7,272	+4%
Pre-Exceptional EBITDA	*1,064*	*+20%*
EBITDA margin	*14.6%*	*+1.9pts*

2007 Full Year Results

Outlook

Smurfit Kappa Group

Recycled Containerboard Market



- **Supply:**
  - 2008/09: No material capacity additions
  - Mid-09/2010: New capacity introduced
  - Supply side discipline
  - Expected further closures of high cost capacity

- **Demand:**
  - Est. demand growth '08-'10 = 2.6% p.a. *

European outlook 2008 to 2010 *('000 tons)*

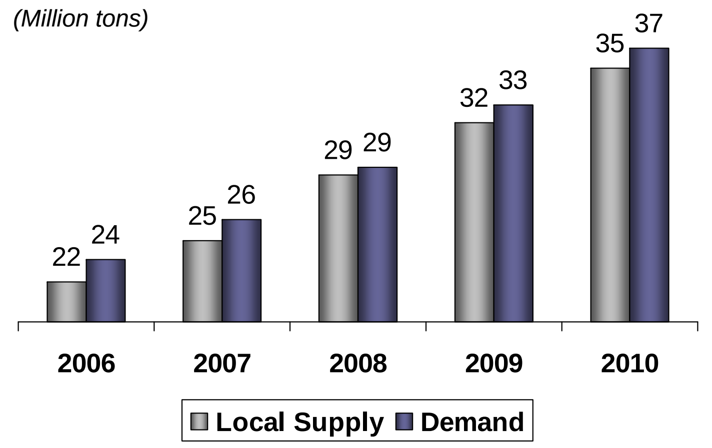
Demand growth	
Market growth (2.6% p.a.)	1.500
Supply growth	
Creep (1% p.a.)	600
Mondi (late 09/2010)	470
Hamburger (late 09/2010)	400
DS Smith (2009)	260
TOTAL	1.730
Closures	
SCA	-300
Other high cost capacity	tbc
Still to be confirmed	
Prowell	650
Others (SCA, Stora)	tbc

** Source: RISI, Western & Central Europe*

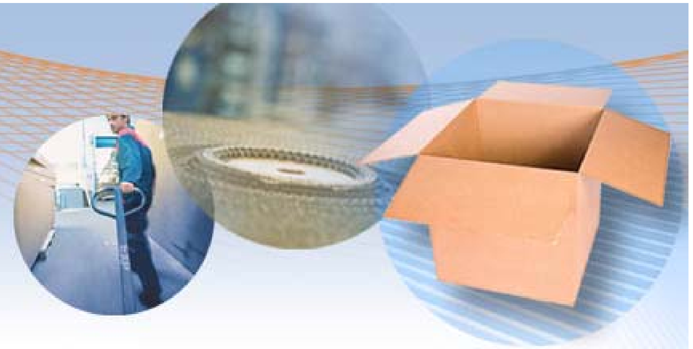
Chinese Containerboard Market

- Market growing at 10% p.a.
- Domestic capacity for domestic demand
- OCC supply import based
- Limited containerboard exports to Europe

China – Short Containerboard

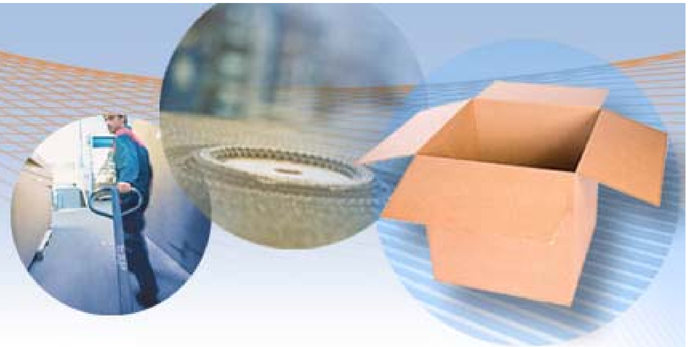


Kraftliner market



- 20% of European Containerboard market
- Marginal tons pressuring prices
- SKG is long Kraftliner (approx. 50% integrated)
- Potential catalysts for pricing momentum:
  - Market consolidation in North America
  - Further reverse substitution in Europe
  - Better than expected demand

Medium-term SKG Opportunities



Further leverage reduction

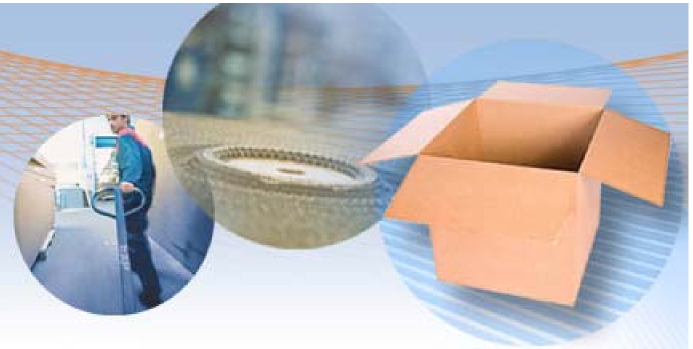
Strengthened financial platform to:

- Participate in industry consolidation opportunities
- Increase exposure to higher growth markets

or

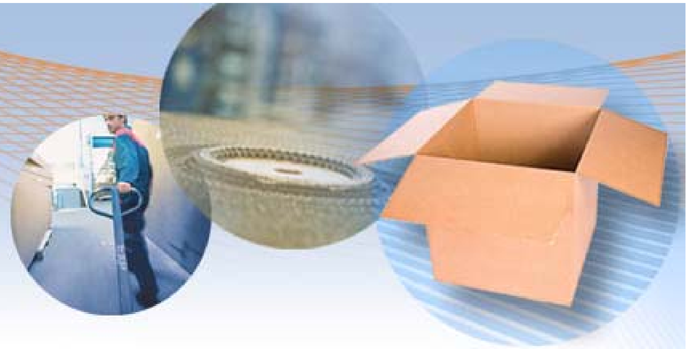
- Return excess capital to shareholders

SKG Outlook



“ Our corrugated operations have performed well year to date in 2008, in an operating environment where supply and demand are reasonably balanced. Assuming current market conditions prevail, SKG expects modest EBITDA growth for 2008 together with continuing and significant free cash flow generation.”

SKG | Key Investment Highlights



Focused market leader

Transformed company

Delivered on all items set at IPO

Committed management team

2007 Full Year Results

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